

THE FOOTBALL ASSOCIATION PREMIER LEAGUE LIMITED V MANCHESTER CITY FOOTBALL CLUB LIMITED: A LANDMARK DECISION IN FOOTBALL FINANCIAL REGULATION

This article examines the Independent Disciplinary Commission's findings concerning Manchester City Football Club following the charges brought by the Premier League and the wider implications of the Decision.

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- **The Commission's Decision** – An overview of the facts of the case, the allegations made by the Premier League and the Commission's findings.
- **The Implications of the Decision:**
 - **Financial Reporting & Economic Substance** - The Decision raises important questions about the treatment of sponsorship arrangements, shareholder funding and related-party transactions, particularly where the economic substance of an arrangement differs from its legal form. It also considers the implications for UEFA Financial Fair Play, the Premier League's Profitability and Sustainability Rules and the accuracy and transparency of clubs' financial reporting.
 - **Evidence, Procedure & Appeal** - The Commission's approach to the burden and standard of proof, circumstantial evidence, missing evidence and procedural fairness is noted, alongside the Club's objections to the Premier League's investigation. The article considers the potential grounds of appeal and the factors that may influence the prospects of successfully challenging the Decision.
 - **Impact on Sponsors & Third Parties** - The Decision may have consequences beyond the Club itself, particularly for sponsors and other commercial partners whose arrangements are examined or affected by regulatory findings. The article highlights potential reputational, contractual and commercial implications, as well as what the Decision may mean more broadly for financial regulation, governance, transparency and enforcement across English football.

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I. Executive Summary

1. On 29 September 2026, an Independent Disciplinary Commission (the “**Commission**”) appointed under Section W of the Premier League Rules found Manchester City Football Club Limited (the “**Club**”) guilty of all but one of the charges brought against it by the Premier League (the “**PL**”). The Commission’s findings have been published in a redacted version of its [Core Decision](#), which refers to 37 appendices (the “**Decision**”). However, these appendices are not publicly available. The Club has rejected the findings and lodged an appeal to the Chair of the Judicial Panel on 1 October 2026.
2. The decision is exceptional in the context of Premier League financial regulation, both in the scale and duration of the breaches established and in the nature of the Commission’s findings concerning the misrepresentation of commercial revenues, the treatment of shareholder funding and the Club’s failure to cooperate with the PL’s investigation. Although previous proceedings have resulted in findings of financial-rule breaches against other Premier League clubs, the present decision is distinguished by the breadth of the alleged misconduct, the period to which it relates and the combination of financial reporting, regulatory compliance and cooperation findings. It therefore represents a significant development in the enforcement of financial regulation within English football, although its ultimate legal and disciplinary consequences remain subject to the appeal process and the determination of sanction.

II. Background and Decision of the Commission

3. The proceedings, which commenced in February 2023, were substantial in both scope and complexity. They concerned in excess of 100 alleged breaches of the applicable financial rules, occurring during nine PL seasons from 2009 to 2018. The proceedings involved an extensive disclosure exercise, comprising millions of documents, together with factual evidence from 27 witnesses and expert evidence across a number of disciplines, including

Abu Dhabi politics and governance, football sponsorship and Swiss law. The substantive hearing subsequently took place over 42 days during the final quarter of 2024.¹

4. The PL allegations were divided into four categories:
 - 4.1. Charge 1 – Financial reporting, accounting treatment and related-party disclosures;
 - 4.2. Charge 2 – Compliance with UEFA financial fair play requirements;
 - 4.3. Charge 3 – Compliance with the PL’s Profitability and Sustainability Rules (“PSR”);
 - 4.4. Charge 4 – Cooperation with the PL’s investigation and requests for information.
5. In September 2008, Abu Dhabi United Group (“ADUG”), a private investment company purchased a 90% shareholding in the Club, acquiring the remaining 10% the following year. ADUG injected more than £190 million of equity during the Club’s first season under its ownership, followed by a further approximately £295 million in 2009/10. By late 2009, however, the Club was forecasting significant losses and had concerns both about the scale of those losses and about the emerging UEFA Financial Fair Play regime, under which shareholder equity would not constitute relevant income for break-even purposes.²
6. The Commission found that, against that background, the Club determined that further reliance on shareholder funding was not a sustainable means of financing its ambitions and that it instead needed to increase its reported commercial revenues. In early 2010, the Club consequently devised what the Commission described as the Disguised Funding Scheme, pursuant to which sums funded by ADUG were presented as sponsorship or other commercial revenue. The purpose of the Disguised Funding Scheme was to conceal from third parties the true extent of the equity contributions being made by ADUG.³
7. The Commission found that the Disguised Funding Scheme enabled the Club to present an income of almost £950 million in its financial statement from sponsorships. However, only approximately £120 million represented fees for which the sponsors were liable whereas the remaining sum was paid by ADUG. This also allowed the Club to avoid making a record-breaking season loss in Premier League history.⁴
8. The Commission noted that several other mechanisms were used by the Club to conceal operating losses and disguise funds that were provided by ADUG. The consequences of these schemes were that the Club’s financial statements from 2009-2018 did not show a true and fair view of the Club’s financial position.⁵
9. Charge 1 was divided into further sub-charges, the common feature being that they all involved conduct that was intended to disguise the Club’s financial dependence on ADUG and give a misleading impression in the Club’s financial statements regarding the financial position it was in. The Commission determined that each of the agreements considered under Charge 1 were a sham or related party transactions with substantial overstatements

¹ The Football Association Premier League Limited v Manchester City Football Club Limited, paras. 1, 15-16, 27.

² The Football Association Premier League Limited v Manchester City Football Club Limited, paras. 48-49, 53, 65.

³ The Football Association Premier League Limited v Manchester City Football Club Limited, paras. 67-68.

⁴ The Football Association Premier League Limited v Manchester City Football Club Limited, paras. 72, 79.

⁵ The Football Association Premier League Limited v Manchester City Football Club Limited, paras. 83-101.

being made in the Club's financial statements accompanied by a lack of appropriate disclosures in relation to the related party transactions.⁶

10. Following the Commission's determination in respect of Charge 1, it concluded that the Club breached UEFA financial fair play requirements, the PL's PSR and "*made concerted efforts to stop and frustrate the PL investigation*".⁷ The Commission's detailed findings of these breaches are in Appendices 2, 30, 33 and 34 which are not publicly available.

III. Implications of the Decision

11. The Decision constitutes an unprecedented substantial first-instance determination of financial and regulatory non-compliance and raises questions concerning the operation and enforcement of the PL's financial rules, the standards of governance and disclosure expected of regulated clubs and the potential consequences of non-compliance for clubs, owners and other stakeholders.

A. Accounting Treatment and Economic Substance

12. The Decision is notable for the Commission's treatment of the relationship between the legal form of transactions and their underlying economic substance. With respect to the sponsorship arrangements, the Commission found that the relevant agreements were "*shams*". Interestingly, in the alternative, the Commission concluded that their economic substance differed from their legal form, with the relevant portion of the sponsorship fees constituting equity contributions from ADUG rather than commercial revenue payable by the sponsors.⁸ This demonstrates that the Commission went beyond the form of the agreements and considered their economic substance. For practitioners, this raises questions about the extent to which contractual documentation and formal payment structures will determine the regulatory treatment of a transaction where the underlying source, purpose or economic occurrence of the funds is disputed.

B. Financial Sustainability Rules and Alternative Findings

13. In respect of Charge 2, the Commission found that the Club breached UEFA's break-even requirements by overstating commercial revenue and operating income and understating its liabilities and expenses. In the alternative, the Commission concluded that if its conclusion regarding Charge 1 was incorrect then the relevant sponsorship values should be reduced to fair market value. However, even on this alternative basis, the Club would still have failed the applicable break-even requirements.⁹ Similarly, with respect to Charge 3, the Commission made another alternative finding based on the fair market value of the sponsorship arrangements and concluded that the Club would still have failed to meet the PSR requirements on that basis.¹⁰

⁶ The Football Association Premier League Limited v Manchester City Football Club Limited, paras. 109-110, 116, 123, 130, 136, 142, 144.

⁷ The Football Association Premier League Limited v Manchester City Football Club Limited, paras. 149, 153, 157.

⁸ The Football Association Premier League Limited v Manchester City Football Club Limited, paras. 110-114.

⁹ The Football Association Premier League Limited v Manchester City Football Club Limited, para. 150.

¹⁰ The Football Association Premier League Limited v Manchester City Football Club Limited, para. 154.

14. The Commission’s alternative findings approach is interesting because the Commission considered whether the regulatory outcome would remain the same under an alternative valuation methodology. However, the legal significance of such alternative findings will depend on the applicable appeal framework, the adequacy of the reasoning and the extent to which the alternative basis was properly pleaded.

C. Evidence and the Standard of Proof

15. The Commission acknowledged the seriousness of the allegations advanced by the PL against the Club, observing that each individual charge required “*strong, cogent evidence*” to be established.¹¹
16. In reaching its findings, the Commission also addressed a number of important evidential and procedural considerations, including: (i) where it found the burden of proof to lie; (ii) the standard of proof applicable to each charge; (iii) reliance upon circumstantial evidence and the inferences it was prepared to draw; (iv) missing witnesses and documents and what, if any, inferences it was prepared to draw; and (v) what weight, if any, should be given to documents provided by third parties.
17. The Commission’s approach to these matters is of particular interest from a regulatory and disciplinary perspective, given the potential significance of evidential assessment in proceedings involving complex financial arrangements and allegations of serious misconduct. Despite the vast number of documents provided, the Commission determined that the “*evidential picture*” was not as complete as it might have been.¹² Its detailed analysis was set out in Appendix 7 to the Decision, which has not been made publicly available. Accordingly, while the Core Decision identifies the principal evidential considerations informing the Commission’s approach, the absence of Appendix 7 limits the extent to which its detailed reasoning and the application of those principles to the evidence can be independently assessed.

D. Procedural Fairness and Appeal

18. The Club raised a number of objections concerning the PL’s investigation, the decision to bring proceedings and the manner in which the charges were prosecuted. The Commission rejected those objections and concluded that the Club’s challenges to the PL’s ability to bring the charges had failed and did not provide it with a defence to any of the charges.¹³
19. On 1 October 2026, the Club lodged a “*comprehensive*” appeal against the Decision wherein it referred to the decision as an “*opinion*” and stated that it contained “*material errors, of law, principle and fact and is unsafe*”.¹⁴

¹¹ The Football Association Premier League Limited v Manchester City Football Club Limited, para. 6.

¹² The Football Association Premier League Limited v Manchester City Football Club Limited, para. 24.

¹³ The Football Association Premier League Limited v Manchester City Football Club Limited, paras. 34-36, 108.

¹⁴ <https://www.mancity.com/news/club/manchester-city-lodge-appeal-63926534>

20. Any appeal by the Club could focus on a number of issues such as: (i) procedural fairness; (ii) interpretation of the relevant rules and accounting obligations; (iii) the legal and evidential basis for characterising the relevant agreements as shams; (iv) the basis for the alternative arguments and the treatment of alternative financial calculations; (v) the adequacy of the Commission's reasoning and; (vi) the scope of the Commission's jurisdiction.
21. The prospects of a successful appeal are difficult to assess at this stage, particularly given the seriousness and complexity of the charges, and the extensive proceedings undertaken to determine them. The Commission expressly acknowledged the scale and intensity of the proceedings, describing them as "*extremely hard fought on both sides*" and observing that "*no stone was left unturned*".¹⁵ These observations may be relevant to any potential challenge concerning procedural fairness or the adequacy of the Commission's reasoning, particularly given the length and breadth of the proceedings, the opportunity afforded to both parties to advance their respective cases and the detailed reasoning and evidential analysis contained in the Core Decision and its appendices.
22. However, the length and detail of the proceedings do not, of themselves, preclude a successful appeal. Any appeal would need to identify a material procedural or legal error and demonstrate its significance. The absence of the unpublished appendices also makes it difficult to assess fully the potential grounds of challenge. Ultimately, the prospects of an appeal will depend on the specific grounds advanced and the applicable appeal framework.

E. Implications for Third Parties

23. Following the Decision, it was reported that Etihad, the Club's main sponsor, was considering legal action against the PL for the Decision's "*damaging implications*" for the airline, despite not being named in the Decision. Etihad were critical of not being given the opportunity to engage in the process and criticised how the Decision was communicated to the public.¹⁶ This raises wider questions regarding the potential implications of regulatory proceedings for the commercial partners and other stakeholders of English football clubs, particularly given the global reach and commercial profile of leading clubs and their partners. Although the proceedings were directed against the Club, findings concerning the nature or legitimacy of commercial arrangements may inevitably have consequences for counterparties who were not themselves parties to the proceedings, including in relation to reputation, contractual relationships and the value of their commercial associations with the club.
24. The scale of the commercial relationship between football clubs and their sponsors underscores the significance of these issues. In the 2024/2025 season, PL clubs generated £6.8 billion of revenue (up 8% from the previous season) with commercial revenue increasing by 13% to £2.4 billion.¹⁷ Commercial arrangements therefore represent a substantial and growing component of the financial model of English football. Against that

¹⁵ The Football Association Premier League Limited v Manchester City Football Club Limited, para. 9.

¹⁶ <https://www.theguardian.com/football/2026/sep/30/etihad-airways-considering-legal-action-premier-league-manchester-city> , <https://www.bbc.co.uk/sport/football/articles/cr3wjwddn11go>

¹⁷ https://www.deloitte.com/uk/en/services/consulting/research/annual-review-of-football-finance-premier-league-clubs.html?icid=top_annual-review-of-football-finance-premier-league-clubs&utm=

background, regulatory findings concerning a club's commercial arrangements may have consequences extending beyond the immediate sporting or financial sanctions imposed on the club. Sponsors and other commercial partners may face reputational scrutiny, questions from investors, regulators or other stakeholders, and potential contractual issues depending on the terms of their arrangements with the club. The position also highlights the importance of procedural protections for third parties where regulatory proceedings may result in findings which, although formally directed at the club, may materially affect the reputation or commercial interests of its counterparties.

IV. Concluding Remarks

25. The Commission's Decision represents a significant development in the enforcement of financial regulation within English football. Its findings demonstrate the extent to which the PL's regulatory framework may be applied to tackle non-compliance with financial and related regulatory requirements. The Decision also highlights the apparent detail and scrutiny with which the Commission approached the allegations in reaching its findings. Furthermore, the proceedings raise questions beyond the Club, particularly in relation to the broad, global commercial landscape within which football clubs operate. The immediate focus will now turn to the outcome of the Club's appeal and the determination of any sanction, both of which will be critical to understanding the Decision's ultimate legal and sporting consequences.